

Message Text

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TAGS: OVIP (KISSINGER)

SUBJECT: PRESS MATERIAL

1. HERewith FULL TEXT DAN MORGAN OUTLOOK ARTICLE, SUNDAY, NOVEMBER 3, WASHPOST, HEADLINED "A HUNGER FOR FOOD SOLUTIONS."

2. SINCE SECRETARY OF STATE HENRY A. KISSINGER ISSUED THE CALL 13 MONTHS AGO FOR THE WORLD FOOD CONFERENCE THAT STARTS IN ROME TUESDAY, SEVERAL TRUTHS ABOUT THE NATURE OF THE PROBLEM FACING HUMANITY HAVE COME INTO BETTER FOCUS.

3. ONE IS THAT POWERFUL FORCES OVER WHICH MAN SEEMS TO UNCLASSIFIED

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HAVE LITTLE IMMEDIATE CONTROL HAVE HAD A ROLE IN BRINGING ABOUT THE FOOD CRISIS. GLOBAL POPULATION IS GROWING AT A RATE OF 70 MILLION A YEAR. NOT MUCH CAN BE DONE TO SLOW IT DOWN BEFORE THE YEAR 2000, WHEN THE WORLD'S POPULATION

WILL BE AROUND 6.5 BILLION PEOPLE INSTEAD OF THE PRESENT 3.8 BILLION.

4. THE WEATHER WAS CATASTROPHICALLY BAD IN BOTH 1972 AND 1974. DROUGHT IN AFRICA, EARLY FROSTS IN THE AMERICAN GREAT PLAINS, FAILURE OF THE MONSOON IN INDIA, FLOODS IN BANGLADESH - THESE WERE SIGNIFICANT HEADLINES IN THE LAST FEW MONTHS.

5. WORLD PRODUCTION OF WHEAT, CORN, BARLEY, OATS, SORGHUM AND RICE - THE BASIC "CEREALS" ON WHICH PEOPLE RELY FOR LIFE-GIVING PROTEIN AND ENERGY - HAS TO INCREASE BY ABOUT 25 MILLION METRIC TONS A YEAR TO COPE WITH THE RISING DEMAND BROUGHT ON BY POPULATION GROWTH AND RISING AFFLUENCE. BETWEEN 1971 AND 1972, ANNUAL WORLD OUTPUT ACTUALLY DECLINED BY 35 MILLION TONS. THIS YEAR'S OUTPUT IS ALSO EXPECTED TO BE LOWER THAN THE 1.265 BILLION TONS PRODUCED IN 1973, MAINLY BECAUSE OF POOR WEATHER.

6. YET IF THE DELEGATES TO THE UNITED NATIONS-SPONSORED CONFERENCE ARE TO MAKE ANY HEADWAY, THEY WILL HAVE TO ACCEPT THE TRUTH: NATURE ALONE WAS NOT RESPONSIBLE; MAN HAD A HAND IN GETTING THE WORLD TO WHERE IT IS TODAY.

7. DECISIONS - AND NON-DECISIONS - BY POLITICAL LEADERS IN DOZENS OF COUNTRIES HAVE CONTRIBUTED TO THE PRESENT SITUATION. AND MAN WILL HAVE TO MAKE DECISIONS IF IMPROVEMENTS ARE TO BE MADE. SOME OF THEM WILL REQUIRE POLITICAL COURAGE AND A NEW LEVEL OF MATURITY.

8. AT THE ROME CONFERENCE, REPRESENTATIVES OF POOR COUNTRIES WILL ALMOST CERTAINLY ENGAGE IN RITUAL CONDEMNATION OF THE POLICIES OF THE RICH. THEY WILL DEMAND MORE FOOD ASSISTANCE, MORE TECHNICAL AID, MORE CREDIT. THERE IS JUSTICE IN THAT, BECAUSE THERE IS NO MORE BLATANT EXAMPLE OF GLOBAL INEQUALITIES THAN THE HUGE FOOD SURPLUSES IN WEALTHY NATIONS AND GAPING DEFICITS IN POOR UNCLASSIFIED

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ONES.

9. BUT THE WORLD FOOD SITUATION IS, ABOVE ALL, A MATTER OF MIND-BOGGLING COMPLEXITY. THE FOOD SCALES CAN BE TIPPED EVEN BY SEEMINGLY TINY GRAINS OF SAND. WHAT HAPPENS IN BUENOS AIRES AND NEW DELHI CAN AFFECT THE BALANCE JUST AS WHAT HAPPENS IN WASHINGTON AND MOSCOW CAN.

10. SEVERAL EXAMPLES ILLUSTRATE THIS:

10A. IN ARGENTINA, LATIN AMERICA'S MAJOR EXPORTER OF FOOD, THE GOVERNMENT GRAIN BOARD PAID FARMERS LESS THAN \$70 A TON FOR WHEAT LAST YEAR, EVEN THOUGH THE WORLD PRICE WAS

\$200 A TON. THE GOVERNMENT WANTED TO KEEP CONSUMER FOOD PRICES LOW. IN EFFECT, IT MADE FARMERS SUBSIDIZE URBAN POPULATIONS. ONE RESULT WAS A HEAVY TRAFFIC IN CONTRABAND WHEAT ACROSS THE COUNTRY'S BORDERS. ARGENTINA'S FOOD EXPORTS HAVE STAGNATED FOR DECADES. WITH PROPER INCENTIVES, SOME EXPERTS SAY, ARGENTINA COULD DOUBLE OR

TRIPLE ITS EXPORTS TO A HUNGRY WORLD.

10B. DISINCENTIVES TO INCREASED AGRICULTURAL PRODUCTION EXIST IN MANY COUNTRIES.

10C. FOR IDEOLOGICAL REASONS THE SOVIET UNION CHOSE TO REPLACE PRIVATE FARMING WITH AN ENORMOUSLY INEFFICIENT AND COSTLY SYSTEM OF COLLECTIVE AND STATE FARMS. UNTIL RECENTLY, MOSCOW HAD NO STRONG INCENTIVES TO PRODUCE MORE, BECAUSE AMPLE GRAIN AT CHEAP PRICES WAS ALWAYS AVAILABLE IN THE WEST.

10D. IN MANY NON-COMMUNIST COUNTRIES, FARMERS HAVE BEEN PLACED AT THE END OF THE LINE IN ELIGIBILITY FOR BANK CREDITS FOR INVESTMENT IN AGRICULTURE. THE U.N.'S FOOD AND AGRICULTURE ORGANIZATION ESTIMATES THAT THE AVERAGE SMALL FARMER IN SOUTH ASIA, UNABLE TO OBTAIN ADEQUATE CREDIT, SPENDS ABOUT \$6 A HECTARE ON HIS CROP INSTEAD OF THE \$20 TO \$80 NEEDED TO ACHIEVE MAXIMUM YIELDS THROUGH NEW SEEDS, PESTICIDES AND FERTILIZER. INDUSTRIAL DEVELOPMENT, THE TOURIST BUSINESS AND MILITARY NEEDS UNCLASSIFIED

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HAVE OFTEN BEEN ASSIGNED A HIGHER PRIORITY THAN AGRICULTURAL DEVELOPMENT.

11. SOME EXPERTS FEEL THERE CAN BE NO REAL PROGRESS IN THE FIGHT AGAINST HUNGER AND OVERPOPULATION UNTIL GOVERNMENTS ADOPT RADICAL SOCIAL AND ECONOMIC REFORMS. THESE EXPERTS SAY THAT THE ROOT OF THE PROBLEM IS NOT TECHNICAL BUT STRUCTURAL.

12. AFTER WORLD WAR II, FOR EXAMPLE, BULGARIA WAS ONE OF EUROPE'S MOST BACKWARD COUNTRIES, BUT TODAY ITS HIGHLY PRODUCTIVE FARMING SECTOR HELPS FINANCE ITS INDUSTRIAL GROWTH. THE FARM GAINS WERE POSSIBLE BECAUSE OF HEAVY CAPITAL INVESTMENT IN ALL BRANCHES OF THE AGRICULTURAL SECTOR COMBINED WITH SWEEPING CHANGES IN THE ORGANIZATION OF FARMING, INCLUDING USE OF LARGE, TIGHTLY MANAGED "AGROVILLES." THE PEASANTRY WAS BROUGHT INTO THE MAINSTREAM OF THE ECONOMY. COUNTRIES IN SOUTH ASIA HAVE BEEN LESS WILLING TO TAKE SUCH RADICAL STEPS - WHICH ARE NATURALLY OPPOSED BY POLITICALLY INFLUENTIAL LANDLORDS AND MIDDLEMEN.

13. INDIA MADE DRAMATIC GAINS IN FOOD PRODUCTION IN THE 1960S, AND HIGHLY RESPECTED EXPERTS BELIEVE THAT THE OUTLOOK FOR THAT COUNTRY IS NOT HOPELESS. YET FEW PEOPLE SAY THAT THE INDIAN GOVERNMENT HAS DONE ALL IT COULD TO INCREASE FARM PRODUCTION.

14. IN THE LAST 12 YEARS, INDIA HAS FINANCED TWO MAJOR WARS WITH PAKISTAN AS WELL AS THE DEVELOPMENT OF NUCLEAR EXPLOSIVES. INDIA THIS YEAR IS FACING A FOOD DEFICIT IN THE RANGE OF 5 TO 10 MILLION TONS. DIPLOMATIC SOURCES SAY THAT THERE IS DREAD THAT THE SHORTAGES COULD LEAD TO MASSIVE HOARDING BY FARMERS AND MIDDLEMEN. THE NEW DELHI GOVERNMENT ANNOUNCED A CONTRACT TO PURCHASE 2 MILLION TONS ABROAD. CHECKS BY DIPLOMATS INDICATED THE THE CONTRACT WAS NON-EXISTNET, AN APPARENT PLOY TO PREVENT PANIC AND HOARDING.

15. AS THAT INDICATES, MANY ASPECTS OF THE PRESENT FOOD CRISIS ARE STILL MURKY. NOT ENOUGH IS KNOWN BY POLICY-
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MAKERS ABOUT TRUE CONDITIONS IN THE MAJORITY OF COUNTRIES WHERE HUNGER AND MALNUTRITION ARE SAID TO BE WIDESPREAD. ALL INDICATIONS ARE THAT FAMINE IS ALREADY A REALITY IN A NUMBER OF PLACES IN AFRICA AND SOUTH ASIA. BUT THE STATISTICS ARE OFTEN MISLEADING. LESTER R. BROWN OF THE OVERSEAS DEVELOPMENT COUNCIL CONTENTS THAT FAMINE ITSELF NEEDS TO BE REDEFINED MORE PRECISELY. THE NUMBERS WHICH ARE USED MAY NOT TELL THE FULL STORY OF HOW MILLIONS OF PEOPLE LIVE AND EAT IN REMOTE COUNTRYSIDES OF THE WORLD. THE NUMBERS MAY EXAGGERATE THE PROBLEM IN SOME AREAS WHERE LOCAL CONDITIONS PERMIT FAMILIES TO MAKE THEIR OWN ARRANGEMENTS FOR SURVIVAL, OUTSIDE THE NORMAL CHANNELS OF LOCAL FOOD MARKETS. BUT IN OTHER PLACES THE NUMBERS MAY UNDERSTATE THE TRUE IMPACT OF INSUFFICIENT FOOD ON WHOLE POPULATIONS WEAKENED BY A LIFETIME OF FAILURE TO EAT ENOUGH CALORIES AND PROTEIN.

16. THE POLICIES OF CONSUMER NATIONS ARE NOT, OF COURSE, SOLELY TO BLAME FOR THE PRESENT SITUATION. GOVERNMENT DECISIONS BY RICH COUNTRIES HAVE ALSO HAD A MAJOR IMPACT.

17. IT IS AN IRONIC COMMENT ON GLOBAL INTERDEPENDENCE THAT THE DRAMATIC DRAINING AWAY OF THE WORLD'S GRAIN RESERVES IN 1972 CAN BE TRACED, IN PART, TO RIOTS BY POLISH WORKERS ON THE BALTIC COAST IN DECEMBER, 1970. THE RIOTS WERE ABOUT HIGH-PRICED, LOW-QUALITY FOOD. THE NEIGHBORING SOVIET UNION TOOK NOTICE. CONCERNED ABOUT ITS OWN DOMESTIC TRANQUILITY, IT MADE A MAJOR COMMITMENT TO IMPROVE THE DIET OF ITS POPULATION BY INCREASING THE COMPONENT OF GRAIN-FED RED MEAT.

18. AFTER A BAD HARVEST IN 1972, MOSCOW BOUGHT GRAIN FROM THE UNITED STATES AND OTHER PRODUCERS ON AN UNPRECEDENTED SCALE RATHER THAN REDUCE ITS LIVESTOCK HERDS. HAD THE

SOVIET GOVERNMENT CHOSEN AN OPPOSITE COURSE - AUSTERITY - GRAIN SUPPLIES TODAY MIGHT BE MORE AMPLE AND PRICES MIGHT BE LOWER.

19. ANOTHER EXAMPLE OF THE ROLE THAT GOVERNMENTS PLAY WAS THE CUTBACK ORDERED ON CULTIVATION OF WHEAT BECAUSE OF LOW UNCLASSIFIED

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WORLD PRICES AND A SEEMINGLY INEXHAUSTIBLE SURPLUS IN THE LATE 1960S. BETWEEN 1968 AND 1970, THE COMBINED WHEAT ACREAGE OF THE UNITED STATES, CANADA, AUSTRALIA AND ARGENTINA FELL FROM OVER 50 MILLION HECTARES TO UNDER 33 MILLION. WHEAT PRODUCTION FELL FROM OVER 80 MILLION TONS TO UNDER 60 MILLION TONS.

20. THE ECONOMIC RESEARCH SERVICE OF THE U.S. DEPARTMENT OF AGRICULTURE ESTIMATES THAT "IF THESE FOUR COUNTRIES HAD MAINTAINED THE WHEAT AREA THEY HAD IN 1967 AND 1968, YIELDS OBTAINED FROM 1969 THROUGH 1972 WOULD HAVE PRODUCED OVER 90 MILLION TONS MORE WHEAT."

21. THE EXTENT TO WHICH GOVERNMENT ACTIONS IN RICH COUNTRIES AFFECT POOR COUNTRIES IS ONLY NOW BEING ANALYZED. FOR INSTANCE, SOME ARE ASKING WHETHER THE BANNING OF CERTAIN PESTICIDES IN THE UNITED STATES COULD HURT CROP YIELDS IN COUNTRIES WHERE THESE DISCONTINUED PESTICIDES WERE BEING INTRODUCED.

22. THE IMPACT OF THE MASSIVE U.S. AND INTERNATIONAL FOOD ASSISTANCE PROGRAMS OF THE 1960S IS ALSO BEING REASSESSED. SOME ECONOMISTS FEEL THAT THESE PROGRAMS ENABLED GOVERNMENTS TO POSTPONE TOUGH DECISIONS, SUCH AS CHOOSING BETWEEN INDUSTRIAL OR AGRICULTURAL INVESTMENTS, AND INTRODUCING POPULATION CONTROL MEASURES. DESPITE HUGE SHIPMENTS OF U.S. AID IN THE 1960S, THE AVERAGE PERSON INTAKE OF CALORIES IN INDIA IS ABOUT WHAT IT WAS IN 1939.

23. THE SUGGESTION THAT POLICY MAKERS HELPED CREATE THE PRESENT SITUATION AND STILL HAVE THE POWER TO RECTIFY IT IS NOT POPULAR WITH THOSE WHO BELIEVE THAT THE WORLD IS MOVING RELENTLESSLY TOWARD A DOOMSDAY-LIKE RECKONING. WILLIAM PADDOCK, ONE PROVOCATIVE THINKER ON SUCH SUBJECTS, HAS SUGGESTED THAT THE ERA OF MAJOR FAMINES HAS ARRIVED AND THAT IT IS TIME FOR COUNTRIES LIKE THE UNITED STATES TO START DRAWING UP LISTS OF WHICH COUNTRIES TO SAVE AND WHICH TO WRITE OFF AS LOST.

24. ON THE OTHER END OF THE SPECTRUM IS AGRICULTURE
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SECRETARY EARL L. BUTZ, WHO GAVE HIS VIEWS IN A SPEECH
PREPARED FOR DELIVERY AT THE FUTURE FARMERS OF AMERICA

CONVENTION IN KANSAS CITY OCT. 18: "THE DOOMSDAYERS SAY
WE ARE ALREADY IN TROUBLE. I SAY THIS IS FALSE, THAT MOST
OF THE WORLD'S PEOPLE EAT BETTER TODAY THAN AT ANY OTHER
TIME IN HISTORY...I ALSO BELIEVE THIS RECORD OF GOOD
EATING WILL CONTINUE..."

25. BUTZ'S STEADY OPTIMISM IN THE FACE OF MOUNTING
EVIDENCE OF SPREADING FAMINE IN A NUMBER OF COUNTRIES
INFURIATES HUMANITARIAN ORGANIZATIONS. THE FAO ESTIMATES
THAT THERE ARE AT LEAST 400 MILLION MALNOURISHED PEOPLE
IN THE WORLD, THE MAJORITY OF THEM CHILDREN AND WOMEN.

26. WHILE BUTZ'S VIEWS MAY SEEM OVERLY COMPLACENT,
MANY EXPERTS DO BELIEVE THAT THE WORLD HAS THE CAPACITY
TO FEED ITSELF, EVEN WITH GREATLY INCREASED POPULATION,
IF THE RIGHT DECISIONS ARE TAKEN. ACCORDING TO A DIS-
PASSIONATE ANALYSIS B Y THE AGRICULTURE DEPARTMENT'S
ECONOMIC RESEARCH SERVICE, THE MOST DIFFICULT PROBLEM IS
NOT TO INCREASE THE OUTPUT OF FOOD BUT, RATHER, TO DIS-
TRIBUTE IT MORE EQUITAB LY AROUND THE GLOBE.

27. THE ERS ANALYSIS SAYS THAT FOOD PRODUCTION GREW
FASTER THAN POPULATION BETWEEN 1954 AND 1972 SO THAT, ON
THE AVERAGE, THE 3.8 BILLION PEOPLE IN THE WORLD IN 1973
HAD 10 PER CENT MORE TO EAT THAN DID THE 2.5 MILLION
PEOPLE IN THE WORLD IN 1954.

28. IN SPITE OF THEIR DIFFICULTIES, THE DEVELOPING COUN-
TRIES ACTUALLY EXPANDED THEIR FARM OUTPUT FASTER THAN
DEVELOPED ONES IN THOSE YEARS. BUT IN THE DEVELOPING
NATIONS, THE GAINS WERE USED UP FEEDING POPULATIONS THAT
GREW MUCH FASTER THAN IN RICH COUNTRIES.

29. IN SHORT, THE GAINS OF THE 1960S WERE NOT DISTRIBUTED
EQUALLY. MORE THAN HALF THE INCREASE IN FOOD OUTPUT
WENT TO AFFLUENT COUNTRIES WITH 30 PER CENT OF WORLD POP-
ULATION, WHILE THE REST WAS SPREAD AMONG THE POORER 70
PER CENT OF THE WORLD.
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30. IMPROVEMENTS IN THE WAY COUNTRIES HARVEST AND STORE
THEIR GRAIN AND RICE WOULD BRING DRAMATIC INCREASES
IN THE FOOD AVAILABLE, AT RELATIVELY SMALL COSTS, ACCORD-
ING TO SOME EXPERTS. THE FAO SAYS THAT RODENTS AND

INSECTS CONTAMINATE 5 TO 10 PER CENT OF ALL CEREALS IN STORAGE. IN INDIA AND AFRICA LOSSES SOMETIMES RUN AS HIGH AS 70 PER CENT. THE FAO ESTIMATES THAT "55 MILLION AFRICANS COULD BE FED FOR A YEAR" FROM THE GRAIN EATEN BY RATS, LOCUSTS, QUELLA BIRDS, BEETLES, MOTHS AND MICRO-ORGANISMS.

31. ROGER REVELLE, DIRECTOR OF HARVARD'S CENTER FOR POPULATION STUDIES, WROTE IN A RECENT EDITION OF SCIENTIFIC AMERICAN THAT IF IRRIGATION, SCIENCE, PESTICIDES, NEW SEEDS AND MODERN TECHNIQUES WERE FULLY APPLIED, "THE PROBLEM OF INDIA'S FOOD SUPPLY COULD RECEDE INTO THE BACKGROUND FOR THE FORESEEABLE FUTURE."

32. THE SCIENTIFIC REVOLUTION IN AGRICULTURE HAS YET TO BE FULLY APPLIED IN THE LESS DEVELOPED WORLD. THE NEW TECHNIQUES, SEEDS OF HIGH-YIELD STRAINS OF WHEAT, CORN AND RICE, AND FERTILIZERS HAVE BEEN CONCENTRATED IN ONLY A FEW COUNTRIES SO FAR, STARTING WITH MEXICO IN THE 1940'S, AND FOCUSING LATELY ON INDIA AND PAKISTAN. IN INDIA AND PAKISTAN ONLY A FEW PROVINCES ARE USING THE METHODS. STUDIES HAVE ALSO INDICATED THAT EVEN WHERE THE TECHNIQUES ARE EMPLOYED, ONLY A MINORITY OF FARMERS ARE USING THEM TO FULL ADVANTAGE.

33. SO IN AN IDEAL WORLD THERE SHOULD BE OPPORTUNITIES FOR GREAT INCREASES IN PRODUCTIVITY. HOWEVER, THERE ARE MANY OBSTACLES TO THIS NOW. THE MOST OBVIOUS ARE THE HIGH COSTS OF FERTILIZER AND FUEL. THE TWO ARE RELATED BECAUSE NATURAL GAS IS THE RAW MATERIAL FOR NITROGEN FERTILIZER PRODUCTION.

34. THE PRICES OF BOTH FERTILIZER AND FUEL HAVE QUADRUPLED SINCE 1970, DEALING A CRIPPLING BLOW TO COUNTRIES WITH LIMITED FOREIGN CURRENCY RESERVES.

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35. SUFFICIENT WATER, SUPPLIED THROUGH IRRIGATION IF NECESSARY, IS ALSO A REQUIREMENT OF THE SO-CALLED "GREEN REVOLUTION." BUT HARNESSING WATER THROUGH IRRIGATION IS EXPENSIVE, AND OFTEN REQUIRES FUEL TO OPERATE PUMPS. PROF. REVELLE HAS NOTED THAT RIVER RUNOFF WHICH COULD BE USED FOR IRRIGATION IS MOST PLENTIFUL IN SOUTH AMERICA. BUT SOUTH AMERICA HAS ONLY FIFTEEN PERCENT OF THE EARTH'S LAND AREA.

36. ALTHOUGH SOME ESTIMATES SUGGEST THAT LESS THAN HALF OF THE CULTIVATABLE LAND IN THE WORLD IS NOW USED FOR FARMING, THE COST OF RECLAIMING IT FOR AGRICULTURE IS HIGH.

37. SO OFTEN, THERE IS A "CATCH-22" ELEMENT TO MIRACLE SOLUTIONS WHICH ARE PROPOSED FOR ENDING THE CYCLE OF RISING POPULATION, FOOD SHORTAGES AND HUNGER. FOR INSTANCE, HUMANITARIANS HAVE SUGGESTED THAT AMERICANS COULD FREE UP

HUGE QUANTITIES OF GRAIN FOR HUNGRY PEOPLE IF THEY CUT DOWN THEIR CONSUMPTION OF GRAIN-FED MEAT AND POULTRY. BUT IF AMERICAN LIVESTOCK OWNERS STOPPED PAYING U.S. FARMERS TO GROW THE GRAIN WHICH THEY NOW FEED TO ANIMALS, WHO WOULD PAY THEM? MANY OF THE COUNTRIES WHICH NOW NEED THE GRAIN THE MOST ARE LEAST ABLE TO PAY THE PRICES WHICH U.S.GRAIN GROWERS WANT TO MEET THEIR OWN RISING COSTS.

38. EVEN SO, POLITICAL WILLPOWER AND IMAGINATION OF LEADERS IN RICH AND POOR COUNTRIES ALIKE MAY STILL BE THE DECISIVE FACTOR IN FINDING SOLUTIONS. THOSE QUALITIES COULD BE AS ESSENTIAL AS FUEL, WATER, SEEDS, FERTILIZER AND MIRACLE "FIXES".

39. THE AGENDA FOR THE WORLD FOOD CONFERENCE GIVES A HINT OF THE POLITICAL DIFFICULTIES THAT LIE AHEAD. THE MAIN "NATIONAL AND INTERNATIONAL PROGRAMS OF ACTION" TO BE DISCUSSED ARE:

--MEASURES FOR INCREASING FOOD PRODUCTION IN DEVELOPING COUNTRIES.

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--POLICIES FOR IMPROVING DIETS AND NUTRITION IN ALL COUNTRIES.

--BETTER EXCHANGES OF INFORMATION BETWEEN COUNTRIES ABOUT DEMAND AND SUPPLY, AND ESTABLISHMENT OF AN INTERNATIONAL GRAIN STOCKPILE.

--EXPANDED TRADE.

40. REPRESENTATIVES OF DEVELOPING COUNTRIES PLAINLY FEEL THAT RICH NATIONS HAVE A HEAVY RESPONSIBILITY TO PROVIDE THEM WITH THE TECHNICAL AID, FERTILIZER, AND CREDIT NEEDED TO EXPAND THEIR OWN PRODUCTION.

41. THE U.S. SUPPORTS THE STRATEGY OF GRADUALLY REPLACING THE FOOD AID OF THE PAST WITH TECHNICAL ASSISTANCE. THE FORD ADMINISTRATION IS SEEKING \$200 MILLION IN NEW FUNDS FOR THIS PURPOSE IN ITS FISCAL 1975 BUDGET. BUT ECONOMISTS IN AND OUT OF THE GOVERNMENT ALSO FEEL THAT POLITICAL LEADERS ABROAD HAVE GOT TO SUPPLEMENT THIS HELP BY REORDERING SOME OF THEIR OWN PRIORITIES. IN SOME CASES, THIS MEANS SPENDING MORE MONEY ON FARMING AND LESS ON GLAMOROUS INDUSTRIAL DEVELOPMENT.

42. THE AGRICULTURE DEPARTMENT'S ECONOMIC RESEARCH SERVICE HAS NOTED THAT POLICIES OF RICH COUNTRIES HAVE

TENDED TO SUBSIDIZE FARMERS WHILE POLICIES OF DEVELOPING COUNTRIES HAVE TENDED TO SUBSIDIZE URBAN CONSUMERS BY ASSURING CHEAP FOOD SUPPLIES. THESE CITY DWELLERS HAVE MORE CAPACITY TO DISRUPT POLITICAL REGIMES THAN SCATTERED RURAL FARMERS. YET ONE RESULT OF THESE OPPOSITE POLICIES HAS BEEN HUGE FOOD SURPLUSES IN AFFLUENT NATIONS AND HUGE DEFICITS IN POORER ONES -- AND THAT TREND IS LIKELY TO CONTINUE UNLESS POLICIES CHANGE.

43. THE ISSUE OF FOOD ASSISTANCE TO HUNGER-STRUCK NATIONS ABROAD DEMONSTRATES HOW INTERNAL POLITICS IN ONE PIVOTAL COUNTRY CAN HAVE A LIFE-AND-DEATH IMPACT ON FOOD SUPPLIES ABROAD. WHETHER TO INCREASE U.S. FOOD AID WAS THE SUBJECT OF BRUISING INFIGHTING AMONG WASHINGTON'S UNCLASSIFIED

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MYRIAD AGENCIES IN THE LAST FEW MONTHS. THE RESULT WAS A BUREUACRATIC STANDOFF. IT NOW SEEMS VERY UNLIKELY THAT THE U.S. WILL PLEDGE A SUBSTANTIAL INCREASE IN THE VOLUME OF FREE OR CHEAP FOOD SHIPMENTS. WHILE KISSINGER AND BUTZ SUPPORTED SUCH AN INCREASE, THE OFFICE OF MANAGEMENT AND BUDGET, ALLIED WITH THE TREASURY DEPARTMENT, BLOCKED A RADICAL EXPANSION, CITING THE NEED FOR FISCAL RESTRAINT IN FIGHTING U.S. INFLATION.

44. MEANWHILE, THE QUESTION OF IMMEDIATE FINANCIAL AID TO SOME 32 NATIONS MOST SERIOUSLY AFFECTED BY SOARING FUEL AND FOOD COSTS HAS BECOME ENTANGLED IN INTERNATIONAL OIL POLITICS. U.S. POLICY MAKERS HAVE WITHHELD SUBSTANTIAL NEW COMMITMENTS SO AS TO PRESSURE OIL PRODUCERS TO CONTRIBUTE THEIR SHARE, OR TO LOWER OIL PRICES.

45. SIMILARLY, A PROPOSED INTERNATIONAL SYSTEM OF "FOOD SECURITY"-- TO STABILIZE PRICES AND ASSURE ADEQUATE SUPPLIES OF GRAIN AT REASONABLE PRICES IN TIMES OF CROP FAILURE -- WILL REQUIRE POLICY CONCESSIONS FROM NUMEROUS GOVERNMENTS.

46. PART OF THE PROPOSAL WOULD REQUIRE IMPROVED "INFORMATION SHARING." MORE ADEQUATE KNOWLEDGE ABOUT COMING FOOD DEMANDS FROM INDIVIDUAL COUNTRIES WOULD PREVENT "GRAIN RAIDS" BY BIG CONSUMERS AND HELP STABILIZE WORLD PRICES. YET COUNTRIES SUCH AS INDIA AND THE SOVIET UNION NOW GUARD INFORMATION ON THE STATUS OF THEIR GRAIN STOCKS AND THEIR GRAIN BUYING PLANS AS IF THEY WERE STATE SECRETS. THEY WORRY THAT TIPPING THEIR HAND TO GRAIN EXPORTERS WOULD PLACE THEM AT A DISADVANTAGE IN THE MARKETPLACE.

47. AT THIS STAGE, MOST U.S. FARMERS ARE ALSO WARY OF WASHINGTON'S ACCEPTANCE "IN PRINCIPLE" OF AN INTERNATIONAL

GRAIN STOCKPILE. THE STOCKPILING SYSTEM WOULD REQUIRE COUNTRIES TO BUILD UP RESERVES DURING TIMES OF PLENTIFUL SUPPLY AND LOW PRICES AND DISPOSE OF THEM WHEN SUPPLIES TIGHTEN AND PRICES RISE. YET THE PROPOSAL -- A CENTER-PIECE OF THE PROPOSED NEW SYSTEM OF WORLD FOOD SECURITY-- UNCLASSIFIED

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HAS NEVER BEEN TESTED IN THE REAL WORLD OF SUPPLY AND DEMAND. SOME WAY WILL HAVE TO BE FOUND TO INSULATE THE RESERVES AGAINST POLITICAL PRESSURES FROM FARMERS AND CONSUMERS IF IT IS TO WORK PROPERLY. ALSO, SUCH A SYSTEM COULD BECOME A LIABILITY IF POORER COUNTRIES FELT IT LEFT THEM FREE TO SLACK OFF IN THEIR OWN EFFORTS TO STIMULATE FARM OUTPUT.

48. ONLY NOW IS THE POLITICS OF THE WORLD FOOD SITUATION STARTING TO BE UNDERSTOOD, IF STILL ONLY DIMLY. IN THE LAST ANALYSIS, FOOD IS THE WORLD'S MOST HIGHLY CHARGED POLITICAL ISSUE. FOR FOOD IS THE MOST BASIC SYMBOL OF THE DISPARITY BETWEEN THE RICH NATIONS AND THE POOR. IT IS ALSO THE TOUCHIEST POLITICAL ISSUE INSIDE MANY COUNTRIES.

49. THIS IS WHY THE WORLD FOOD CONFERENCE IS NOT JUST ANOTHER ONE OF THOSE UNITED NATIONS MEETINGS WHICH WE ALL KNOW ARE SOMEHOW IMPORTANT BUT WHICH STILL SEEM TEDIOUSLY REMOTE FROM OUR OWN DAILY LIVES.

50. IN A WORLD WHICH ALREADY SEEMS TO BE TILTING ALARMINGLY TOWARD ECONOMIC UPHEAVAL, THE INEQUALITY OF FOOD DISTRIBUTION IS A POWERFUL ADDITIONAL FACTOR IN TENSION AND UNREST. THE FUTURE WILL TELL WHETHER IT CAN ALSO BECOME A BRIDGE BETWEEN ALL PARTS OF THE HUMAN COMMUNITY. (END TEXT.) INGERSOLL

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